

Cunningham Communications, Inc.
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March 3, 2014

Letter-Expression of Interest
VIA ECFS

Chairman Thomas Wheeler
Commissioner Mignon Clyburn
Commissioner Jessica Rosenworcel
Commissioner Ajit Pai
Commissioner Michael O'Rielly
Jonathon Chambers
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: Expression of Interest-Rural Broadband Trials
Connect America Fund, WC Docket No. 10-90**

Background:

Cunningham Communications, Inc

Cunningham Communications, Inc. (CCI) is a Kansas CLEC using hybrid-fiber coax cable TV systems and FTTH to provide video and telecommunications services to 12 communities in 5 counties in North Central Kansas. CCI provides cable TV services such as telephone, long distance, docsis3.0 broadband, HD/DVR, analog and digital TV. CCI also provides FTTH telephone and broadband services to large businesses and anchor institutions inside those same CLEC communities. CCI has an affiliate Cunningham Telephone Company, Inc. which is a rural ILEC. CCI contracts telephone switching services through CTC's IP softswitch. CCI has direct access to Kansas Fiber Network's statewide fiber network for advanced telecommunications services, reduced costs of broadband internet backhaul and further providing ringed redundancy for quality of service. CCI already has existing offices and staffing located in 3 of the 4 county seats communities inside the areas of interest. CCI does not receive any funding today, is not an ETC and has primarily served the populated cities and not the sparser rural areas. CCI would acquire ETC upon an award.

Geographic Area:

The areas of interest are shown in Exhibit A. CCI found it easier to show the areas of interest using an existing Kansas telephone exchange map. Our areas of interest are outlined in red and are basically the exchange area boundaries in the counties of Jewell, Mitchell, Republic and Cloud. These areas are adjacent to CCI's affiliate Cunningham Telephone (shown in tan #10). CCI feels there would be great synergy in having both these areas served by Cunningham companies. The exchange map also works well in that our neighboring rural independent telephone companies have done a great job providing broadband also so basically our exchange boundaries mark the adjacent underserved areas. The CAFII map eligible areas are almost identical to the exchange boundaries in Exhibit A. The actual tract ID's are shown in Exhibit B.

CCI has the cable TV systems in Mankato, Jewell, Beloit, Scandia, Belleville and Concordia (refer to Exhibit A). CCI has also built FTTH facilities to almost all the schools, colleges and hospitals in those communities (by this summer 100% of those anchor institutions will be served by FTTH facilities). This project would extend the reach of our broadband and telephone services outside the city limits and into the rural areas of the exchanges. In this scenario CCI would use our existing fiber/coax cable TV infrastructure to serve the communities CCI is in today and the new rural areas of this EoI would be served with FTTH to fill out the rest of the exchange area.

CCI has existing offices and staffing in Belleville, Concordia and Beloit, which are the county seats, thus allowing better customer service, ease of billing and quicker time to resolution on any customer premise issues. Additional staffing would be needed.

Proposed Technology: Underground Active-Ethernet Fiber-to-the-Home

Quality of service, scalability, reliability and low maintenance are the primary goals CCI has. Because of this, FTTH is our obvious choice. Active Ethernet FTTH also gives the highest amount of bandwidth of the fiber type services. The fiber installation would be underground to shield it from the elements and heighten the reliability in the rural areas. Each resident would have a dedicated fiber to their home or business. This adds to the scalability and helps future proof the service as much as humanly possible. Access with dedicated fiber also takes out any distance limitation in our project. Each customer in the network will have the same service options and broadband speeds available to them. Our project would have the physical capability of providing 100Mbps service to each customer. Also with a dedicated direct fiber, 1Gbps speeds are possible with a customer premise equipment change down the road.

Service Offerings:

CCI would look to offer the same broadband and telephone packages as it does in its Docsis3.0 cable systems in the communities already inside the EoI area in Exhibit A. Currently, those communities have 25Mbps internet packages widely available. As customer needs grow CCI would look to follow suite and increase service offering speeds as we always have.

Today CCI have 3 options in our Docsis3.0 cable TV communities that fit the categories of most consumers:

<i>Entry-1.5Mbps</i>	\$29.95 business and residential
<i>Standard-10Mbps</i>	\$39.95 residential, \$49.95 business
<i>Extreme-25Mbps</i>	\$79.95 residential, \$89.95 business

CCI currently does not implement usage based caps.

CapEx and OpEx

CCI is estimating \$15 to \$20 million in construction and equipment to build the area listed in Exhibit A. CCI does not have funds available for a project of this magnitude. It may be very difficult to get a loan this size given the experimental nature of this project also. CCI would hope the USDA/RUS programs would be available for a project of this type.

Although there is some synergy with our existing cable TV operations, on-going funding support would be needed for the continued operation of these rural areas. If a loan was used to build the infrastructure then on-going support would be needed to meet loan commitments *and* on-going operations.

CCI would estimate monthly operational needs to be in the \$20,000 range, not including any loan commitments which could be the monthly range of \$160,000 to \$200,000 for a loan of this size. CCI would estimate adding 5 new full-time positions.

Timeline

CCI feels the infrastructure could be built within 4 years.

Summary of Benefits Unique to CCI

1. in close proximity of our ILEC exchanges-feel there could be synergy and efficiency
2. already provide broadband, telephone and TV to cities located in these tracts-would extend a FTTH network out to reach rural customers also
3. have local offices in 3 county seats in these tracts; Concordia, Beloit & Belleville
4. already familiar with FTTH provisioning and maintenance
5. FTTH capabilities to every customer in tract regardless of distance from hub location
6. 25Mbps initially with ability to go to 100Mbps
7. Anchor institutions located in tract communities already served by CCI

Cunningham Communications, Inc.

Thank you for considering our Expression of Interest in your decisions about the amount of funding that will be allocated in the Rural Broadband Trials. We commend you in this effort to connect rural communities and are ready to help you close the digital divide.

Sincerely,

A handwritten signature in blue ink that reads "Brent Cunningham". The signature is fluid and cursive, with the first name "Brent" and last name "Cunningham" clearly legible.

Brent Cunningham
Vice President/General Manager
Cunningham Communication, Inc.

A map of Nebraska counties, each labeled with its name and a number. A red outline highlights a specific region in the central part of the state. The highlighted region includes counties such as Mankato, Jewell, Formoso, Republic, Belleville, and Concordia. A large blue number '785' is overlaid on the map, indicating the area covered by the 785 area code.

Exhibit B

St	County	County Name	TractID	Eligible High Cost Locations	Extremely High Cost Locations	Annual Support
KS	20029	Cloud	20029977100	181	49	\$130,721.19
KS	20029	Cloud	20029977200	32	3	\$19,976.90
KS	20029	Cloud	20029977300	14	3	\$5,236.61
KS	20029	Cloud	20029977400	123	47	\$50,303.96
KS	20089	Jewell	20089576100	76	57	\$25,438.09
KS	20089	Jewell	20089576200	141	87	\$47,859.22
KS	20123	Mitchell	20123176600	161	77	\$67,866.23
KS	20123	Mitchell	20123176700	134	92	\$39,308.66
KS	20157	Republic	20157978100	83	57	\$26,762.12
KS	20157	Republic	20157978200	236	136	\$97,715.43
KS	20157	Republic	20157978300	60	9	\$29,230.98
				1241	617	\$540,419.39